

Message Text

CONFIDENTIAL

PAGE 01 STATE 035291

63-62

ORIGIN EUR-12

INFO OCT-01 CCO-00 SS-15 SSO-00 ISO-00 NSC-05 NSCE-00 SP-02

EB-07 L-02 NEA-09 /053 R

DRAFTED BY EUR/SOV:JL COLBERT/RL BARRY:SB

APPROVED BY S/S-O: P. JOHNSON

EUR/SOV:MGARRISON

EUR:JGLOWENSTEIN

-

----- 045933

O P 150119Z FEB 75 ZFF4

FM SECSTATE WASHDC

TO USDEL AQABA IMMEDIATE

INFO AMEMBASSY AMMAN PRIORITY

AMEMBASSY MOSCOW

AMEMBASSY BONN

C O N F I D E N T I A L STATE 035291

TOSEC 318

E.O. 11652: GDS

TAGS: ECON, UR, US

SUBJECT: SECRETARY'S GENEVA MEETING WITH FONMIN GROMYKO:

ISSUES TALKING POINTS: ECONOMIC ISSUES

(S/S NO.)

FOR SONNENFELDT AND HARTMAN (BONN)

TALKING POINTS:

1. GENERAL

-- WE ARE PLEASED THAT OUR TRADE AND ECONOMIC CONTACTS

CONTINUE IN A CONSTRUCTIVE SPIRIT. INITIAL REPORTS FROM

ASSISTANT SECRETARY PARSKY'S DELEGATION OF ECONOMIC

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 035291

EXPERTS IN MOSCOW SHOW THAT BOTH SIDES ARE DETERMINED TO

MOVE FORWARD IN ECONOMIC RELATIONS DESPITE THE RECENT SETBACK.

-- NEW CONTRACTS BETWEEN SOVIETS AND US FIRMS CONTINUE TO BE SIGNED, AND PLANNING FOR FUTURE MEETINGS UNDER BILATERAL ECONOMIC AGREEMENTS IS ACTIVELY UNDERWAY.

-- WE ARE GRATIFIED BY THE PRESENCE OF A SOVIET DELEGATION AT THE AD HOC GRAIN RESERVE MEETING IN LONDON

(FEBRUARY 10-11).

2. COMPUTER LICENSING. (IF RAISED BY GROMYKO)

-- WE UNDERSTAND THE IMPORTANCE THE SOVIETS ATTACH TO APPROVAL OF THEIR PURCHASE OF COMPUTER SYSTEMS FOR THE KAMA TRUCK PLANT, AEROFLOT, INTOURIST AND THE AIR TRAFFIC CONTROL SYSTEM.

-- WE HAVE APPROVED IN PRINCIPLE SALE OF THE KAMA COMPUTOR BUT STILL HAVE A FEW PROBLEMS ON SAFEGUARDS TO WORK OUT WITH IBM.

--THE SYSTEMS FOR AEROFLOT AND INTOURIST ARE LARGER AND MORE COMPLEX THAN KAMA BUT WE ARE STUDYING THEM URGENTLY TO SEE IF THEY CAN BE EXPORTED.

-- THE AIR TRAFFIC CONTROL COMPUTER SYSTEM IS UNDER REVIEW WITH OUR ALLIES.

3. YAKUTSK GAS EXPLORATION PROJECT. (IF RAISED BY GROMYKO)

-- WE APPRECIATE THE POLITICAL AND ECONOMIC IMPORTANCE WHICH THE USSR ATTACHES TO OUR COOPERATION IN SIBERIAN ENERGY PROJECTS.

-- CONGRESSIONAL OPPOSITION TO US FINANCING OF SUCH PROJECTS AND THE ABSENCE OF NEW EXPORT-IMPORT BANK FINANCING RULE OUT THIS TYPE OF COOPERATION FOR TIME BEING.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 035291

-- IF THE JAPANESE WISH TO MOVE AHEAD WITH THIS PROJECT WITHOUT US, WE , OF COURSE, HAVE NO OBJECTION.

ANALYSIS/BACKGROUND

1. GENERAL

ATMOSPHERICS IN THE TRADE FIELD HAVE CONTINUED TO BE FAVORABLE. THE DELEGATION LED BY TREASURY ASSISTANT SECRETARY PARSKY HAS BEEN WELL RECEIVED BY SOVIET FOREIGN TRADE OFFICIALS WHO EXPRESSED DETERMINATION TO MOVE AHEAD DESPITE THE MFN/CREDIT IMBROGLIO. SOVIET FOREIGN TRADE ORGANIZATIONS CONTINUE TO PLACE CONTRACTS FOR SUBSTANTIAL BUSINESS WITH US FIRMS. LAST WEEK A

NEW CONTRACT WAS SIGNED FOR A \$23 MILLION ARTIFICIAL FUR PLANT AND THE SOVIETS HAVE TOLD US THAT THEY WILL HONOR CONTRACTS FOR \$50 MILLION WORTH OF MACHINERY AND SERVICES FOR A TRACTOR PLANT, DESPITE THE NON-AVAILABILITY OF EX-IM FINANCING CALLED FOR IN THE CONTRACT.

2. GRAIN RESERVES

AT THE LAST MINUTE A SOVIET DELEGATION ACCEPTED OUR INVITATION TO ATTEND THE LONDON GRAIN RESERVES MEETING. THIS WAS AN ENCOURAGING DEVELOPMENT FOR US AND FOR THE EC. THE SOVIETS DID NOT TAKE A PARTICULARLY ACTIVE PART IN THE DISCUSSIONS, BUT MADE A POSITIVE CONTRIBUTION BY VIRTUE OF THEIR PRESENCE.

3. COMPUTER LICENSING

WE ARE NOT MUCH FURTHER DOWN THE ROAD WITH DECISIONS TO LICENSE THESE SALES THAN WE WERE AT THE TIME OF THE VLADIVOSTOK SUMMIT. THE PROBLEM WITH THE KAMA COMPUTER IS WITH IBM OVER THE SAFEGUARDS ISSUE, NOT WITH THE SOVIETS OR WITHIN THE US GOVERNMENT. THE AIR TRAFFIC CONTROL SYSTEMS COMPUTER CASE IS BEING DISCUSSED WITHIN COCOM.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 035291

4. SIBERIAN DEVELOPMENT-YAKUTSK GAS EXPLORATION PROJECT.

AT THE MOMENT THE ONLY HOPE FOR PARTICIPATION BY US COMPANIES IN THE YAKUTSK EXPLORATION DEAL IS FOR THE SOVIETS TO OBTAIN PRIVATE US FINANCING. WHETHER OR NOT THIS CAN BE ARRANGED IS DIFFICULT TO PREDICT. INGERSOLL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN TRADE, BUSINESS FIRMS, INVESTMENT OPPORTUNITIES, TOSEC 318
Control Number: n/a
Copy: SINGLE
Draft Date: 15 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE035291
Document Source: CORE
Document Unique ID: 00
Drafter: JLCOLBERT/RLBARRY:SB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750055-0338
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750238/aaaabijr.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 May 2003 by GarlanWA>; APPROVED <27 MAY 2003 by GarlanWA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECRETARY'S GENEVA MEETING WITH FONMIN GROMYKO: ISSUES TALKING POINTS: ECONOMIC ISSUES
TAGS: ECON, UR, US
To: AQABA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006